



The Americas Update

June 2003

Export News

Mexico- Petroleos Mexicanos (PEMEX), the Mexican state owned oil monopoly, has announced that it will expand purchases of automobile oil and lubricant products sold at their franchise service stations to many new brands, both domestic and international. Until now, due to contractual agreements between PEMEX and Mexicana de Lubricantes (MEXLUB), MEXLUB has enjoyed a monopoly on sales of oil and lubricant products to PEMEX's 5,000 service station franchises. Even with its monopoly status, however, MEXLUB lost USD 57.5 million dollars over the past ten years.

PEMEX recently acquired shares of MEXLUB held by Impulsora Jalisciense. After PEMEX's successful acquisition of Impulsora Jalisciense's shares, the company owns 51% of MEXLUB's shares and thus a controlling stake in the firm. Since the acquisition of control of MEXLUB, PEMEX has proceeded to cancel several contracts with MEXLUB that had previously guaranteed the oil and lubricant company a monopoly in sales of those products to PEMEX's franchised service stations.

PEMEX also announced that it would not allow any of its franchised service stations to enter into a monopoly agreement with only one supplier of oils and lubricants. Service stations will have to offer oil and lubricant brands offered by various suppliers, both domestic and foreign.

These remarkable changes brought about by Pemex will eventually give Mexican consumers more choices among oil and lubricant products and is expected to lower overall prices for consumers.

For U.S. companies, this presents an excellent and potentially lucrative opportunity to enter the previously monopolized Mexican market for oil and lubricants. (IMI 6/03)

Colombia- The Colombian import market for medical equipment, devices, and supplies for 2003 is estimated at US\$188.1 million, and it is expected to grow at an average

rate of five percent per year during 2004-2006. Although the United States' participation decreased from 49 percent in 2000 to 44 percent in 2001 to 42.6 percent in 2002, it has continued to be, by far, the leading supplier of the sector. The United States is followed by Germany with 10.4, 12.6, and 11.4 percent respectively during the same three-year-period, and by Brazil with 7.7, 9.1, and 10.7 percent share during this same period. Prospects for U.S. manufacturers of medical equipment, devices, and supplies will continue to be strong with an expected average annual growth rate of 5.5 percent for the period 2004-2006, if the market experiences renewed energies and strategies.

The sector maintains its traditionally high scientific level of diagnosis and treatment. Transplants are routinely and successfully performed mainly in Bogota, Cali, and Medellin. A significant number of private and some public health care providers operate with state-of-the-art technology and continue to demand the most advanced medical equipment, devices, and materials. Prospective U.S. exporters have the advantage of brand name recognition and traditional end-users' acceptance; however, they must consider the many changes resulting from the reforms and the sector's restricted economic resources in developing marketing strategies and finding attractive financing terms and conditions.

From 2003 through 2006, the major market demand will be for equipment related to preventive health care, such as laboratory equipment, early diagnostic equipment and other such devices. This demand will be followed by the demand for treatment equipment and instrumentation, such as that used in radiotherapy and surgery.

The health care import market also offers opportunities for information technology products that meet the requirements for individual and global information and health care system management at both the national and institutional level. (ISA 6/03)

Canada- Wall Financial Corp. has recently begun construction on one \$75 million condo high-rise, which will include retail space and a multi-screen movie theatre, and is set to begin construction on a second \$75 million condo

high-rise in the near future. Both projects are situated in the heart of downtown Vancouver, Canada, and are scheduled for completion in 2005.

Large building projects in the Vancouver area generally have between 20 to 35 percent U.S. product inputs. These categories include the following: mechanical/plumbing; electrical; glass/glazing; roofing; dirt work equipment; concrete; steel and specialty equipment. In addition, specialized products such as equipment and supplies associated with movie theaters and retail outlets, will further provide U.S. firms with excellent additional opportunities. (IMI 6/03)

International Marketing Insights (IMI) are short profiles of specific market conditions or opportunities prepared in overseas markets and multi-development banks. For complete reports, contact the nearest Commercial Service office.

Trade Events

Electronic Americas

Electronic Americas, a biennial international trade fair, is the largest event of its kind in South America for electronic components, assemblies, and electronics production. Electronic components is ranked number one as the best prospect for U.S. exports to **Brazil**. Participation in an event of this magnitude is an ideal venue for small and medium sized U.S. enterprises to gain exposure or to expand their presence not only in the Brazilian market but also in the surrounding South American region. This catalog event will be held at a **Sao Paulo, Brazil** exposition center on October 6-10, 2003. The cost of this event is US\$450.

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Expocorma

Expocorma is organized by the Chilean Lumber Corporation "Corporacion Chilean de la Madera - CORMA" and is sponsored by the Chilean government. Expocorma 2003 version will take place in Concepcion, in southern **Chile**, considered Chile's forestry capital. This fair is meant to promote technological exchange and, provide a meeting point for exhibitors, executives and professionals involved in the forestry sector. Firm is searching for a U.S. company to promote Expocorma 2003 in the U.S.

Due to the private funding of this event, it will be free of charge. The fair is scheduled to take place in Concepcion from **November 12-15, 2003**.

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Explore B.C. Nov 2003

British Columbia, with a population of 4 million, is the United States sixth largest trading partner, with bi-lateral trade in excess of \$21 billion per year. Vancouver, British Columbia is Canada's gateway to the Pacific Rim. Explore BC is designed to provide small to medium sized companies with the means to explore international sales opportunities expanding Canada and the Pacific Rim. Explore BC is an event in which US companies will have the opportunity to meet with pre-screened agents, distributors, and strategic alliance partners in their industry. All appointments are customized to the individual company's specific needs. Through this event, Commercial Specialists can help your company gain successful entry into the Canadian Pacific Region. Remember successful exporters ...

Think Canada First.

A Vancouver hotel conference center will house this trade mission on **November 18-19, 2003**. Its cost will be US\$750.

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Useful Website

2003 Report on foreign trade barriers

<http://www.ustr.gov/reports/ntr/2003/index.htm>